

Message Text

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FM AMEMBASSY LIMA

TO SECSTATE WASHDC IMMEDIATE NIACT 4313

INFO USUN NEW YORK 500

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FROM USDEL UNIDO II CONFERENCE

IO FOR ASST. SECY BUFFUM

E FOR DENNIS WOOD

E.O. 11652: N/A

TAGS: UNIDO, OCON, US

SUBJECT: UNIDO GENERAL DEBATE STATEMENT

FOLLOWING IS TEXT OF DRAFT PREPARED BY UNIDO DELEGATION FOR AMBASSADOR

BENNETT'S GENERAL DEBATE STATEMENT. STATEMENT SCHEDULED TO BE
DELIVERED TUESDAY, MARCH 18. DEPARTMENT'S COMMENTS ON STATEMENT
WILL BE APPRECIATED BY COB MARCH 17.

MR. PRESIDENT, DISTINGUISHED DELEGATES:

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1. WE MEET IN LIMA AT A TIME OF UNPRECEDENTED CHALLENGE FOR THE

INTERNATIONAL COMMUNITY. LET US ALSO REGARD IT AS A TIME OF UNPRECEDENTED OPPORTUNITY. THE FAMILIAR PATTERNS OF INTERNATIONAL ECONOMIC RELATIONS ARE CHANGING. OLD ATTITUDES SEEM NO LONGER WHOLLY RELEVANT TO OUR PRESENT PROBLEMS. ALTHOUGH BLUEPRINTS FOR THE REPLACEMENT OF THE INTERNATIONAL ECONOMIC SYSTEMS HAVE BEEN OFFERED, THE NEW COMMUNITY REMAINS TO BE REVEALED. ONLY OUR GROWING INTERDEPENDENCE IS CERTAIN. LET ME AT THE OUTSET OF MY REMARKS QUOTE A STATEMENT MADE BY SECRETARY OF STATE KISSINGER AT THE BEGINNING OF THIS MONTH WHICH I THINK IS IMPORTANTLY RELEVANT TO THE WORK OF THIS CONFERENCE. HE SAID, ON MARCH 1, "THE FOREIGN POLICY OF THE UNITED STATES HAS ONE OVERRIDING GOAL: TO HELP SHARE A NEW STRUCTURE OF INTERNATIONAL RELATIONS WHICH PROMOTES COOPERATION RATHER THAN FORCE; NEGOTIATION RATHER THAN CONFRONTATION; AND THE POSITIVE ASPIRATIONS OF PEOPLES RATHER THAN THE ACCUMULATION OF ARMS BY NATIONS."

2. THESE ARE THE CONCERNS-THE GUIDELINES-OF US FOREIGN POLICY TODAY. WE BELIEVE THESE ARE COMMON CONCERNS SHARED BY US ALL. WE HAVE COME TO LIMA TO PARTICIPATE IN A CONSTRUCTIVE DIALOGUE. IF THIS DIALOGUE CAN LEAD TO A COMMON RESOLVE, THIS CONFERENCE CAN CONTRIBUTE TO THE FORMULATION OF INTERNATIONAL POLICIES AND CAN AGREE ON ACTIONS THAT ARE ESSENTIAL TO ENCOURAGE AND SUPPORT THE EFFORTS OF THE PEOPLES OF THE DEVELOPING COUNTRIES FOR INDUSTRIAL DEVELOPMENTS.

3. INTERNATIONAL ECONOMIC ACTIVITIES ARE INFINITELY MORE DIVERSE THAN WAS THE CASE 30 YEARS AGO WHEN THE UNITED NATIONS ORGANIZATION WAS CREATED. MANY OF THE OLDER INDUSTRIALIZED COUNTRIES ACCOUNT FOR IMPORTANT SEGMENTS OF WORLD INDUSTRIAL PRODUCTION AND WORLD TRADE. MAY OTHER COUNTRIES, INCLUDING MANY DEVELOPING COUNTRIES, HAVE ESTABLISHED SIGNIFICANT NEW INDUSTRIAL SECTORS. THE RESULT OF THIS DIVERSIFICATION IS THAT NATIONS ARE SUBJECT TO A DEGREE OF INTERDEPENDENCE IN THEIR INTERNATIONAL ECONOMIC RELATIONSHIPS THAT IS UNPRECEDENTED IN THE WORLD'S HISTORY. ANY NEW INTERNATIONAL ECONOMIC ARRANGEMENTS MUST TAKE THIS GROWING INTERDEPENDENCE INTO ACCOUNT. IT WILL REQUIRE A NEW APPROACH TO THE PROBLEMS THAT FACE US AND A NEW SHARING OF RESPONSIBILITIES FOR DECISIONS THAT AFFECT THE INTERESTS OF THE INTERNATIONAL COMMUNITY.

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4. IN THE PAST, TRADE RELATIONSHIPS BETWEEN DEVELOPED AND DEVELOPING COUNTRIES WERE LARGELY BASED ON THE EXCHANGE OF RAW MATERIALS FROM THE DEVELOPING COUNTRIES FOR FINISHED GOODS FROM THE DEVELOPED. WE HAVE THE IMPRESSION THAT IN SOME QUARTERS THE BELIEF EXISTS THAT THE NEW RELATIONSHIP BETWEEN DEVELOPED AND DEVELOPING COUNTRIES MUST, THEREFORE, BE AN ADVERSARY ONE AND THAT THE INDUSTRIALIZED COUNTRIES ARE RELUCTANT TO ASSIST THE INDUSTRIAL DEVELOPMENT OF DEVELOPING

COUNTRIES BECAUSE OF A DESIRE TO MAINTAIN THE OLD ARRANGEMENTS.

5. THAT IS CERTAINLY NOT THE CASE FOR THE UNITED STATES, AND WE DO NOT BELIEVE IT IS THE CASE FOR ANY COUNTRY REPRESENTED AT THIS CONFERENCE. THE UNITED STATES FULLY ACCEPTS THE PROPOSITION THAT INDUSTRIAL DEVELOPMENT HAS A FUNDAMENTAL ROLE TO PLAY IN IMPROVING THE QUALITY OF LIFE OF THE PEOPLES OF THE DEVELOPING COUNTRIES. WE HAVE NOT ASSEMBLED HERE TO DEBATE WHETHER THE DEVELOPING COUNTRIES SHOULD INDUSTRIALIZE. THE QUESTION BEFORE US IS HOW THEY CAN MOST EFFECTIVELY AND QUICKLY EXPAND THE CONTRIBUTION OF INDUSTRY TO THEIR ECONOMIC AND SOCIAL DEVELOPMENT. WE ARE FULLY COMMITTED TO ASSISTING THEM IN THIS EFFORT.

6. OUR NATIONAL EXPERIENCE REINFORCES THE GENERAL VIEW THAT AGRICULTURAL AND INDUSTRIAL DEVELOPMENT GO HAND IN HAND. IT IS SOMETIMES OVERLOOKED THAT THE INDUSTRIAL STRENGTH OF THE UNITED STATES RESTS ON A POWERFUL AGRICULTURAL BASE. INDEED, THE DEVELOPMENT OF THESE TWO SECTORS BOTH NATIONALLY AND GLOBALLY IS A FORCEFUL EXPRESSION OF INTERDEPENDENCE. AGRICULTURE AND AGRO-INDUSTRIAL DEVELOPMENT CANNOT BE IGNORED OR GIVEN SECOND PRIORITY WITHOUT IMPAIRING GENERAL ECONOMIC DEVELOPMENT GOALS, INCLUDING INDUSTRIALIZATION. QUITE CLEARLY, AGRICULTURAL PRODUCTION CAN INCREASE SIGNIFICANTLY ONLY WITH THE ASSISTANCE OF MANY INDUSTRIAL GOODS. INTERNATIONALLY, LARGE SEGMENTS OF THE WORLD HAVE BEEN TOO DEPENDENT ON THE US FOR GOOD GRAINS. MY GOVERNMENT WISHES TO ASSIST IN CORRECTING THIS SITUATION. THE ROME WORLD FOOD CONFERENCE SET US ON THE RIGHT TRACK. WE HOPE THAT THE LIMA CONFERENCE WILL BE AS SUCCESSFUL IN SETTING GENERAL GUIDELINES, IN FULL RECOGNITION OF ECONOMIC INTERDEPENDENCE, FOR FUTURE NATIONAL LIMITED OFFICIAL USE

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AND INTERNATIONAL ACTIVITIES IN THE INDUSTRIAL FIELD.

7. TO HELP DEVELOPING COUNTRIES FIND NEW MARKETS FOR THE PRODUCTS OF THEIR INDUSTRY IN THE UNITED STATES, WE ARE IN THE PROCESS OF IMPLEMENTING OUR SYSTEM OF GENERALIZED TRADE PREFERENCES. IN THE NEXT FEW DAYS PRESIDENT FORD WILL ANNOUNCE THE LIST OF PRODUCTS ON WHICH HIS ADMINISTRATION PROPOSES TO ELIMINATE ALL IMPORT TARIFFS FOR DEVELOPING COUNTRIES FOR TEN YEARS. THE LIST IS EXPECTED TO BENEFIT SOME \$ BILLION OF DEVELOPING COUNTRIES' EXPORTS. IN THIS CONNECTION, THE ADMINISTRATION IS NOW WORKING WITH THE CONGRESS TO IMPROVE THE PROVISIONS OF THE TRADE ACT OF 1974 BY MODIFYING CERTAIN OF ITS RESTRICTIVE PROVISIONS WHICH HAVE CAUSED CONCERN IN DEVELOPING COUNTRIES.

8. THE GENERALIZED SYSTEM OF PREFERENCES LONG DESIRE BY

DEVELOPING COUNTRIES HAS NOT MET ALL OF THEIR EXPECTATIONS. WE ARE OF THE VIEW THAT GSP IS SIGNIFICANT--IT NOT ONLY WILL PROVIDE ADDITIONAL TEMPORARY TRADE OPPORTUNITIES--BUT IS A POSITIVE EXPRESSION THAT WE DO NOT REQUIRE OR EXPECT EXACT RECIPROCITY IN EVERY CASE IN OUR RELATIONS WITH DEVELOPING COUNTRIES. THE CHIEF SIGNIFICANCE OF THE TRADE ACT OF 1974 IS THAT IT PERMITS THE US GOVERNMENT TO PARTICIPATE IN THE MULTILATERAL TRADE NEGOTIATIONS. IT IS OUR HOPE THAT THOSE NEGOTIATIONS WILL RESULT IN SUBSTANTIALLY LARGER AND PERMANENT TRADE OPPORTUNITIES FOR ALL, AND CONSEQUENTLY IN IMPROVED STANDARDS OF LIVING FOR ALL THROUGH A MORE JUST DIVISION OF LABOR. IN ACCORDANCE WITH THE TOKYO DECLARATION, THE TRADE NEGOTIATIONS ARE INTENDED NOT ONLY TO LIBERALIZE WORLD TRADE FURTHER BUT ALSO TO OBTAIN, AMONG OTHER RESULTS, ADDITIONAL BENEFITS FOR THE INTERNATIONAL TRADE OF DEVELOPING COUNTRIES, SO AS TO ACHIEVE A SUBSTANTIAL INCREASE IN THEIR FOREIGN EXCHANGE EARNINGS.

9. WITH RESPECT TO TRADE IN RAW MATERIALS, THE UNITED STATES AS A PRINCIPAL EXPORTER AS WELL AS IMPORTER OF THESE MATERIALS IS ESPECIALLY SENSITIVE TO THE ASPIRATIONS OF CONSUMERS AND PRODUCERS. ABRUPT SWINGS IN THE PRICES FOR RAW MATERIALS ARE HARMFUL TO ALL. WE RECOGNIZE THAT DEVELOPING COUNTRIES, REGARDLESS OF THEIR STAGE OF DEVELOPMENT HAVE BEEN ESPECIALLY VULNERABLE TO THESE PRICE FLUCTUATIONS. NO ISSUE IS MORE CIRITICAL TODAY IN ECONOMIC RELATIONS BETWEEN DEVELOPED AND DEVELOPING COUNTRIES THAN THAT OF COMMODITIES. WE STRONGLY FAVOR A WORLD TRADING SYSTEM WHICH MEETS THE NEEDS OF LIMITED OFFICIAL USE

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BOTH CONSUMERS AND PRODUCERS--WHICH PROVIDES RELIABLE AND ADEQUATE EXPORT EARNINGS FOR PRODUCERS AND AT THE SAME TIME ASSURES ADEQUATE SUPPLIES AT REASONABLE COST TO THE CONSUMERS. UNILATERAL PRODUCER ACTIONS OR UNILATERAL CONSUMER ACTIONS WILL NOT RESULT IN A STABLE EQUILIBRIUM. THE TIME HAS COME TO CONSIDER TOGETHER HOW THESE ISSUES SHOULD BE RESOLVED, AND WE ARE READY TO JOIN IN A SERIOUS EFFORT TO FIND A CONSTRUCTIVE SOLUTION WHICH DOES JUSTICE TO THE CONCERNS OF ALL PARTIES.
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FROM USDEL UNIDO II CONFERENCE

IO FOR ASST. SECY BUFFUM

E FOR DENNIS WOOD

10. OUR BILATERAL AND MULTILATERAL ECONOMIC ASSISTANCE WILL GO FORWARD. IN SHORT, MY COUNTRY IS PREPARED TO MAKE CONTINUING EFFORTS TO ASSIST DEVELOPING NATIONS TO ACHIEVE RAPID ECONOMIC DEVELOPMENT FOR THE BENEFIT OF THEIR PEOPLES DESPITE SOME SERIOUS ECONOMIC PROBLEMS AT HOME. ALL WE ASK IS THAT THE PROGRAM WE SUPPORT BE EFFECTIVE IN ACHIEVING THEIR DEVELOPMENT OBJECTIVES.

11. WE APPRECIATE THAT ONE OF THE FUNDAMENTAL DESIRS OF THE DEVELOPING COUNTRIES IS TO DEVELOP THE CAPACITY TO TRANSFORM AN INCREASING PROPORTION OF THEIR OWN NATURAL RESOURCES INTO FINISHED OR SEMI-FINISHED PRODUCTS. WE AGREE WITH THE LOGIC OF SUCH A DEVELOPMENT AND SUPPORT IT. INDEED, THE ECONOMICS OF THE LIMITED OFFICIAL USE

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SITUATION MAY WELL POINT IN THIS DIRECTION MORE AND MORE FREQUENTLY IN THE FUTURE. IN THIS CONTEXT, WE WOULD VIEW SUCH DEVELOPMENTS AS A NATURAL STEP IN THE ACHIEVEMENT OF A MUTUALLY BENEFICIAL DIVISION OF LABOR.

12. GENERAL EXPANSION OF ECONOMIC ACTIVITY IS TO BE EXPECTED IN THE VERY NEAR FUTURE FOLLOWING SOME EIGHTEEN MONTHS OF DECLINING

PRODUCTION. THE PRODUCTION CAPACITY OF ALL NATIONS WILL BE STRAINED BY THE UPCOMING RECOVERY. IN THE SHORT RUN, THEREFORE, THERE WILL BE FRESH OPPORTUNITIES FOR DEVELOPING COUNTRY INDUSTRIAL PRODUCTION. IN THE LONGER RUN, IT IS PROJECTED THAT OVER THE NEXT TWENTY-FIVE YEARS WORLD POPULATION WILL INCREASE BY TWO. INCREASES IN CONSUMPTION OVER THAT SAME PERIOD WILL AT LEAST KEEP UP WITH POPULATION INCREASE. THERE WILL BE OPPORTUNITIES FOR ALL TO PRODUCE THE TREMENDOUS NUMBER OF GOODS AND SERVICES REQUIRED BY EXPANDING POPULATIONS AND EXPECTATIONS. OVER THE LONGER Haul, THERE IS NO NATURAL COMPETITION BETWEEN DEVELOPED AND DEVELOPING COUNTRIES IN MEETING THE CHALLENGE PRESENTED BY THIS VAST EXPANSION IN DEMAND FOR GOODS FOR THE ACHIEVEMENT OF DECENT STANDARDS FOR ALL.

13. MR. PRESIDENT, THE UNITED STATES IS COMMITTED TO NARROWING THE GAP BETWEEN THE STANDARDS OF LIVING OF THE PEOPLES OF THE DEVELOPED AND DEVELOPING COUNTRIES. IT IS OUR VIEW THAT THE WAY TO REMEDY EXISTING INEQUALITIES IS TO INCREASE THE WEALTH OF THE DEVELOPING COUNTRIES RATHER THAN TO DECREASE THE STANDARD OF LIVING OF THE PEOPLE OF THE DEVELOPED COUNTRIES. A MERE REDISTRIBUTION OF PRESENT WORLD INDUSTRIAL PRODUCTION FACILITIES WOULD NOT BRING ABOUT A MATERIAL IMPROVEMENT IN THE STANDARD OF LIVING OF THE PEOPLES OF THE DEVELOPING COUNTRIES. REAL IMPROVEMENT CAN ONLY OCCUR THROUGH INCREASES IN PRODUCTIVITY AND EXPANDED OPPORTUNITIES FOR GAINFUL EMPLOYMENT.

14. THE PROPOSAL THAT WE WORK TO INCREASE THE PROPORTION OF THE WORLD'S INDUSTRIALIZED GOODS WHICH ARE PRODUCED BY DEVELOPING COUNTRIES OVER THE NEXT 25 YEARS IS COMPLETELY UNCONTROVERSIAL. IT REPRESENTS THE VERY ESSENCE OF OUR TASK. WE ARE ALL AGREED ON IT. THE PRESENT SHARE OF 7 PERCENT IS OBVIOUSLY DISTRESSINGLY LOW. HOWEVER, I MUST SAY IN ALL FRANKNESS I AM SKEPTICAL AS TO THE UTILITY OF SETTING A FORMAL TARGET. THERE IS NO RELIABLE, SCIENTIFIC BASIS UPON WHICH ANY PARTICULAR FIGURE COULD BE SET.

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FURTHER, SETTING SUCH A TARGET IS NOT LIKELY TO ADD OR SUBTRACT FROM THE EFFORTS REQUIRED ON THE NATIONAL, REGIONAL AND GLOBAL LEVELS. IF INDIVIDUAL GOVERNMENTS WISH TO INDULGE IN INDICATIVE PLANNING, INCLUDING THE SETTING OF TARGETS, THAT OF COURSE IS THEIR PREROGATIVE. AND IT CAN BE USEFUL. TODAY HALF OF THE INDUSTRIAL PRODUCTION OF THE DEVELOPING COUNTRIES COMES FROM FIVE OF ITS MEMBERS. THERE IS A DANGER, HOWEVER, THAT THE SETTING OF A GLOBAL TARGET WILL ONCE AGAIN OBSCURE THE SPECIAL NEEDS OF THE MOST SERIOUSLY AFFECTED COUNTRIES AND THE LAND-LOCKED AND OTHER SPECIAL CATEGORIES OF DEVELOPING COUNTRIES.

15. FOR NATIONS SUCH AS MY OWN, GLOBAL ECONOMIC TARGETS POSE PARTICULAR PROBLEMS. THE UNITED STATES GOVERNMENT IS NOT IN A POSITION TO GUARANTEE THAT THE EFFORTS OF ITS PRIVATE SECTOR WILL

PERFORM IN SUCH A WAY AS TO MEET ANY PARTICULAR TARGET. OUR GOVERNMENT DOES NOT HAVE, -- NOR DOES IT WISH TO HAVE -- THAT TYPE OF CONTROL OVER OUR PRIVATE SECTOR. NEITHER WILL MANY OTHER GOVERNMENTS OF THE MORE SUCCESSFULLY INDUSTRIALIZED COUNTRIES REPRESENTED HERE. THE DYNAMIC FORCES OF INDUSTRIAL DEVELOPMENT IN THE UNITED STATES HAVE ALWAYS BEEN LARGELY IN OUR PEOPLE, OR WHAT WE CALL OUR PRIVATE SECTOR. DECISIONS HAVE NOT BEEN CENTRALIZED IN OUR GOVERNMENT. THE OVERALL SUCCESS OF OUR PRIVATE INDUSTRY, WHICH OPERATES UNDER ORDERLY REGULATIONS, IN PRODUCING MORE GOODS FOR MORE PEOPLE, HAS LONG STOOD IN FAVORABLE CONTRAST TO OTHER SYSTEMS. SIMILARLY, OUR MAJOR CONTRIBUTIONS TO INDUSTRIALIZATION OF THE DEVELOPING COUNTRIES HAVE COME THROUGH TRANSFERS OF TECHNOLOGY, MANAGEMENT KNOW-HOW AND CAPITAL BY OUR PRIVATE ENTERPRISES TO THE DEVELOPING COUNTRIES. THESE RESOURCES CONTINUE TO BE AVAILABLE, AND THE UNITED STATES GOVERNMENT STANDS READY TO FACILITATE ACCESS TO THEM FOR DEVELOPING COUNTRIES.

16. AT THE SAME TIME, THE PARTICIPATION OF OUR PRIVATE ENTERPRISES IN THE INDUSTRIALIZATION OF DEVELOPING COUNTRIES, WHETHER THROUGH DIRECT INVESTMENT, LOANS, TRANSFER OF TECHNOLOGY AGREEMENTS, OR MANAGEMENT CONTRACTS, DEPENDS UPON THEIR REASONABLE EXPECTATIONS FOR THE SAFETY OF THE CAPITAL AND EFFORT THEY HAVE INVESTED. ACTIONS BY DEVELOPING COUNTRIES, BOTH INDIVIDUALLY AND IN INTERNATIONAL FORUMS, WILL LARGELY CREATE THE CLIMATE FOR THE PARTICIPATION OF THE PRIVATE SECTOR IN THE INDUSTRIALIZATION PROCESS. THIS IS A MATTER WITH RESPECT TO WHICH EACH DEVELOPING COUNTRY LIMITED OFFICIAL USE

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WILL, OF COURSE, MAKE ITS OWN CHOICE, DEPENDING ON WHETHER IT WISHES TO ENCOURAGE OUR PRIVATE ENTERPRISE TO PARTICIPATE IN ITS INDUSTRIAL DEVELOPMENT OR TO PREVENT IT FROM DOING SO. WHILE WE NATURALLY BELIEVE THAT OUR OWN EXPERIENCE IN ACHIEVING A HIGHLY INDUSTRIALIZED SOCIETY HAS RELEVANCE FOR MANY DEVELOPING COUNTRIES, WE FULLY RECOGNIZE THAT EACH NATION MUST DECIDE ON ITS OWN PATH TO INDUSTRIAL DEVELOPMENT IN THE LIGHT OF THE HISTORICAL EXPERIENCE OF ITS PEOPLE, THE NATURAL HUMAN RESOURCES AVAILABLE TO IT AND THE OPPORTUNITIES OR CONSTRAINTS OF ITS GEOGRAPHY.

17. ONE OF THE FEATURES OF 20TH CENTURY ECONOMIC DEVELOPMENT HAS BEEN THE GROWTH OF ENTERPRISES KNOWN AS "MULTINATIONAL CORPORATIONS". ALTHOUGH THE ACTIVITIES OF MULTINATIONALS, OR TRANSNATIONALS, REPRESENT ONLY ONE FEATURE OF A COMPLICATED SET OF TRANSACTIONS WHICH LINK THE ECONOMIES OF NATIONS, IT IS ONE WHICH HAS ATTRACTED PASSIONATE ATTENTION, IN MY COUNTRY AS WELL AS IN MANY OTHER COUNTRIES REPRESENTED HERE. THE EFFECT OF THE MULTINATIONAL CORPORATION ON DEVELOPMENT AND ON INTERNATIONAL RELATIONS IS NOT YET FULLY UNDERSTOOD, AND IT IS ONLY NATURAL THAT A STUDY OF THIS IMPORTANT SUBJECT IS NOW UNDER

WAY ELSEWHERE IN THE UNITED NATIONS SYSTEM. IT IS CLEAR THAT
THE TRANSNATIONALS HAVE PROVED THEMSELVES EFFECTIVE AND RAPID
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FROM USDEL UNIDO II CONFERENCE

IO FOR ASST. SECY BUFFUM

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18. AT THIS POINT I FIND IT INTERESTING TO NOTE THAT TODAY'S
CONTROVERSY SURROUNDING MULTINATIONAL CORPORATIONS HAS MUCH OF
THE SAME RING AS DID THE EARLIER CONTROVERSY OVER THE PROCESS OF
INDUSTRIALIZATION ITSELF. I AM SURE WE ARE ALL FAMILIAR WITH THE
LITERATURE OF THE 19TH CENTURY WHICH PICTURED INDUSTRIALIZATION OAS
A THREAT TO TRADITIONAL VALUES, A DESPOILER OF THE COUNTRY-SIDE, AND
AN AFFRONT TO THE DIGNITY OF MAN. TODAY THE GENERAL VIEW OF THE
DESIRABILITY OF INDUSTRIALIZATION HAS CHANGED. ON BALANCE, I
BELIEVE WE ALL SHARE THE VIEW THAT INDUSTRIALIZATION IN AND OF
ITSELF IS NEITHER INHERENTLY EVIL NOR GOOD. IT IS A NEUTRAL PROCESS.
IT IS NOT AN END IN ITSELF. I BELIEVE THAT WE WILL IN TIME COME
AROUND TO THE VIEW THATMULTINATIONAL CORPORATIONS TOO ARE
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INSTRUMENTS OF PRODUCTION AND, LIKE ANY OTHER INSTRUMENT,

NEITHER INHERENTLY GOOD NOR BAD. THE ANSWER LIES IN ORDERLY REGULATION.

19. ONE OF THE IMPORTANT SUBJECTS THAT THIS CONFERENCE IS CALLED UPON TO CONSIDER IS THE ROLE WHICH UNIDO SHOULD PLAY IN HELPING TO CARRY FORWARD THE PROCESS OF INDUSTRIAL DEVELOPMENT IN THE DEVELOPING COUNTRIES, HOW IT SHOULD BE ORGANIZED FOR THIS PURPOSE AND WHAT RESOURCES SHOULD BE MADE AVAILABLE TO IT.

20. UNIDO FACES ONE OF THE MOST DIFFICULT AND COMPLEX TASKS IN THE ENTIRE UN FAMILY. I THINK WE ALL RECOGNIZE THAT "INDUSTRIALIZATION" IS NOT A SINGLE PROBLEM. IT IS A LARGE SET OF HIGHLY DIVERSE PROBLEMS. IT INVOLVES IMPORTANT SOCIAL--HUMAN--AS WELL AS ECONOMIC ISSUES. IT MUST TAKE ACCOUNT OF SUCH VARIED FACTORS AS RESOURCES AND MARKETS, FINANCE AND TAX POLICY AND INSTITUTIONAL DEVELOPMENT. IT RELATES NOT TO ONE OR A FEW PRODUCTS, BUT TO HUNDREDS OF PRODUCTS, EACH OF WHICH REQUIRES ITS OWN SPECIAL TREATMENT. BEYOND THIS, UNIDO MUST OPERATE IN OVER A HUNDRED COUNTRIES REPRESENTING MANY STATES OF DEVELOPMENT. THE COMPLEXITY OF UNIDO'S TASK MAKES ITS CHOICE OF PRIORITIES AND ITS PROGRAM ORIENTATION EXCEPTIONALLY DIFFICULT.

21. IT IS PERHAPS NOT SURPRISING, THEREFORE, THAT UNIDO'S ASSISTANCE TO DEVELOPING COUNTRIES HAS OFTEN BEEN LESS THAN SUCCESSFUL. IN PART UNIDO'S PROBLEMS HAVE RESULTED FROM RAPID AND NOT NECESSARILY SOUND GROWTH, A LACK OF FOCUS IN ITS PROGRAMS AND ADMINISTRATIVE LAXITY. IN OUR VIEW MUCH STILL REMAINS TO BE DONE TO MAKE UNIDO AN EFFECTIVE AND EFFICIENT TOOL OF THE UN SYSTEM IN THE FIELD OF INDUSTRIAL DEVELOPMENT. MEMBER GOVERNMENTS, INCLUDING MY OWN, BEAR SOME OF THE RESPONSIBILITY FOR THIS SITUATION.

22. THE QUESTION OF UNIDO'S LONG-TERM STRATEGY HAS OCCUPIED OUR ATTENTION SINCE THE SPECIAL INTERNATIONAL CONFERENCE OF UNIDO IN JUNE 1971. IN CONSONANCE WITH THE FINDINGS OF THE AD HOC COMMITTEE ON LONG RANGE STRATEGY FOR UNIDO, THE UNITED STATES CONTINUES TO BELIEVE THAT THE AREAS OF FIRST PRIORITY ATTENTION BY UNIDO SHOULD CONTINUE TO BE THE EXPANSION AND IMPROVEMENT OF ITS OPERATIONAL ACTIVITIES, AND THE ORIENTATION OF ITS PROGRAMS OF STUDIES AND RESEARCH SO THAT IT SUPPORTS AND REINFORCES THE UNDP LIMITED OFFICIAL USE
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COUNTRY PROGRAMMING PROCESS, AS WELL AS IMPROVES UNIDO'S CAPABILITY FOR ADVISING COUNTRIES ON INDUSTRIAL DEVELOPMENT POLICIES AND STRATEGY.

23. WE HAVE NOTED THE SUGGESTIONS WHICH ARE BEFORE THE CONFERENCE LOOKING TO BROADENING UNIDO'S MANDATE INTO THE FIELD OF CONSULTATIONS ON WORLD INDUSTRIAL DEVELOPMENTS, AND WE ARE PREPARED TO DISCUSS THESE IDEAS IN THE APPROPRIATE COMMITTEES OF THE CONFERENCE.

24. WE FIND SERIOUS DIFFICULTIES WITH THE PROPOSAL THAT THE CONFERENCE RECOMMEND THE CONVERSION OF UNIDO INTO A SPECIALIZED AGENCY OF THE UN. WE BELIEVE THAT IT COULD BE SERIOUSLY COUNTER-PRODUCTIVE TO UNDERTAKE SUCH A MAJOR CHANGE IN THE ORGANIZATION'S STATUS AT THIS TIME. IT WOULD INHERENTLY ENTAIL A LONG AND COSTLY PERIOD OF TRANSITION AND UNCERTAINTY. THE ENERGIES OF THE ORGANIZATION WOULD BE ABSORBED IN THAT PROCESS RATHER THAN FOCUSING ON ITS PRIMARY TASK OF HELPING THE DEVELOPING COUNTRIES. AS A MATTER OF PRINCIPLE MY GOVERNMENT DOES NOT LOOK WITH FAVOR ON FURTHER FRAGMENTATION OF THE UN SYSTEM.

25. WE LOOK FORWARD TO THE DEVELOPMENT UNIDO'S POSSIBILITIES UNDER ITS NEW EXECUTIVE DIRECTOR, TO WHOM WE HAVE PLEDGED THE BEST EFFORTS OF THE UNITED STATES. WE WISH HIM WELL AS HE EMBARKS ON THE DIFFICULT TASKS OF MAKING PROGRESS TOWARDS THE OBJECTIVES FOR WHICH UNIDO WAS CREATED.

26. MR. PRESIDENT -- DURING THE NEXT FEW DAYS WE SHALL BE ENGAGED IN THE TASK WHICH THE GENERAL ASSEMBLY HAS SET FOR THIS CONFERENCE OF DRAWING UP A DECLARATION ON INDUSTRIAL DEVELOPMENT AND A PLAN FOR INDIVIDUAL AND JOINT ACTION BY MEMBER STATES TO ADVANCE THE INDUSTRIALIZATION OF THE DEVELOPING COUNTRIES. FOR THIS PURPOSE WE HAVE BEFORE US DRAFT TEXTS PRESENTED BY THE DEVELOPING COUNTRIES. WE HAVE BEEN CLOSELY EXAMINING THOSE PROPOSALS. WE WOULD HOPE THAT SIMILAR CLOSE STUDY WILL BE GIVEN BY THE CONFERENCE TO THE PAPER PREPARED BY GROUP B -- A PAPER WHICH REPRESENTS VERY CAREFUL CONSIDERATION BY MY COUNTRY AND OTHER MEMBERS OF THE DEVELOPED GROUP.

27. MR. PRESIDENT, OVER THE PAST YEAR THE INDUSTRIALIZED NATIONS AND THE THIRD WORLD HAVE SEEMED MORE OFTEN IN CONFRONTATION THAN IN HARMONY. THIS HAS, I BELIEVE, FREQUENTLY LIMITED OFFICIAL USE
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BEEN MORE APPARENT THAN REAL. THE PURPOSES WE HAVE IN COMMON ARE FAR MORE IMPORTANT THAN THE ISSUES IN WHICH WE MAY DIFFER. RHETORICAL DEMANDS AND PETULANT REPLIES IN UN DEBATES GET US NOWHERE. THEY DEPRECIATE THE VALUE OF RESOLUTIONS, AND THEY REDUCE POPULAR SUPPORT FOR WORK OF THE UNITED NATIONS--IN MY COUNTRY AND ELSEWHERE. LET US TRY IN UNIDO TO REDUCE THE GAP BETWEEN LANGUAGE AND PERFORMANCE, BETWEEN DOCTRINE AND REALITY. LET US INTENSIFY THE PROCESS OF CONSULTATION COOPERATION AND NEGOTIATION. OUR GROWING INTERDEPENDENCE LEAVES US NO CHOICE.
DEAN

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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
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Errors: N/A
Film Number: D750091-0091
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750347/aaaabqgh.tel
Line Count: 541
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION IO
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 10
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 02 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 APR 2003 by KelleyW0>; APPROVED <07 APR 2003 by GolinoFR>
Review Markings:

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Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: UNIDO GENERAL DEBATE STATEMENT FOLLOWING IS TEXT OF DRAFT PREPARED BY UNIDO DELEGATION FOR AMBASSADOR
TAGS: OCON, US, UNIDO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006